



STATE OF WASHINGTON  
DEPARTMENT OF LABOR AND INDUSTRIES  
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DATE: October 10, 2002

TO: Retro Advisory Committee

FROM: Frank Romero (Chair), Retro Program Manager

SUBJECT: Minutes of October 8, 2002, retro advisory committee meeting

The meeting was called to order by committee chair **Frank Romero** at approximately 1:24 PM, following the public hearing on retro rule changes.

**Introductions** were made around the room. It was moved, seconded and carried to approve the meeting minutes of April 9, 2002, as published. Frank reviewed today's agenda.

**Actuary's Corner – Bill Vasek** (senior actuary) presented historical data on the industrial insurance rates from 1987 to the present, which peaked in 1992 and remained steady until 1999, according to the NCCI. Rates are up significantly across the country. The stock market has severely impacted the contingency reserve fund, and the department is proposing an increase of approximately 40 percent to make up the projected deficit. This would result in the department "breaking even" in contingency fund vs. projected costs.

**Case Reserve – Frank Romero** discussed the practices of reserving claims. He explained that claims are usually reserved "manually" about 10 to 12 months after the system assigns automatic reserves to a claim. In the past, they used to stop reserving of retro claims around six weeks prior to the freeze date. This has impacted the workload for staff in the case reserve unit; in addition, the system does not indicate whether a claim is for a retro or non-retro employer. They have discontinued the practice described above, and are now handling all claims equally. Committee member Jim Gurnea is in agreement with this decision, but said they need to handle requests for case reserve adjustments in a more timely manner.

**Retro Symposium** – The annual retro symposium will cover the subject of occupational hearing loss; including, costs to employers and employees, and the probability that some employers end up paying for hearing loss conditions that are 'pre-existing', since many young people entering the workforce today have already been exposed to high noise

levels prior to employment. The symposium will take place on October 30, at the Governor's Industrial Safety & Health Conference in Spokane.

**Interim Policies** – *Frank* discussed two “interim policies” for retro employers (*details attached*). Committee members *Jan Marie Ferrell* expressed her support for the policies, though no consensus was reached by the committee as a whole.

**Good of the Order** – Committee member *Lauren Gubbe* asked if a department representative could attend a future meeting and discuss how L&I can support employer's drug-free workplace policies when related to workers' comp claims.

*Tammie Hetrick* (Washington Retail Association) asked whether someone from Employer Services could attend a future meeting to discuss problems with claims being assigned to the wrong employer(s).

Frank thanked all in attendance and adjourned the meeting at 2:55 PM.